

2003/2004 ALTERNATIVE PAYMENT PROGRAM
LANGUAGE CHANGES TO THE FT&CS
(GAPP)

Section 1, Definition (p.2) shall be amended as follows:

~~"Earned" means net reimbursable program costs of which at least seventy five percent (75%) must be payments for direct services, no more than twenty-five percent (25%) may be for support services and administrative costs together and no more than fifteen percent (15%) may be for administrative costs alone.~~

"Earned" means net reimbursable program costs of which at least eighty-one percent (81%) must be payments for direct services, no more than nineteen percent (19%) may be for support services and administrative costs together and no more than fifteen percent (15%) may be for administrative costs alone.

Section II, General Provisions, Payment to Providers (p.5) shall be amended as follows:

~~Contractors shall pay each provider the same rate(s) the provider charges nonsubsidized families not to exceed 1.5 standard deviations from the mean market rate established for the type of care provided as established by the most recent "Regional Market Rate Survey of California Child Care Providers.~~

~~For providers that do not serve nonsubsidized children, the contractor shall pay a rate that is within 1.5 standard deviations of the mean market rate for the type of care provided as established by the most recent "Regional Market Rate Survey of California Child Care Providers".~~

Contractors shall pay each provider the same rate(s) the provider charges nonsubsidized families for the appropriate category, but not to exceed the maximum payment rate as established by the most recent "Regional Market Rate Survey of California Child Care Providers.

For providers that do not serve nonsubsidized children, the contractor shall pay a rate that is within the standard market rate for the type of care provided as

established by the most recent "Regional Market Rate Survey of California Child Care Providers".

Section 1, Program Requirement, Definitions (p.27) shall be amended as follows:

~~"Co payment" means any usual and customary provider charges above 1.5 standard deviations from the mean market rate for the type of care provided which are paid by the parent directly to the provider."~~

"Co-payment" means any usual and customary provider charges that exceed the maximum subsidy amount. The family shall be responsible to pay the provider the difference between the provider's rate and the maximum subsidy amount. The contractor shall not be responsible for collecting the family's co-payment.

Section II.A, Eligibility and Need Criteria and Documentation, General Requirements (p.29, second paragraph) shall be amended as follows:

Children who have reached their ~~fourteenth~~ (14th) thirteenth (13th) birthday are ineligible for subsidized services except that children with exceptional needs and severely handicapped children may be served through age twenty-one (21). Children with exceptional needs shall also meet the criteria for that age group specified in Education Code Section 56026 and Title 5 California Code of Regulations, Section 3030 and 3031.

Section V, Fee Schedule, Fee Assessment (p. 36) shall be as follows:

A. Fee Assessment

Contractors shall use a fee schedule prepared and issued by the CDD. The contractor shall utilize the following factors in determining the fee to be assessed for each family: (1) the adjusted monthly family income and (2) family size. The fee shall be assessed and collected based on the family's child who is enrolled for the longest period. The fee assessed and collected shall be the least of the fee indicated on the fee schedule or the actual costs of services ~~or 1.5 standard deviations from the mean market rate~~ but not exceed the applicable regional market rate ceiling for the type of care provided. If the parent(s) works on a fluctuating schedule, the fee may be estimated and adjusted the following

month. If the family's children are served in both federal and state programs, the fee must be pro-rated to each program based on the cost of care each child receives.

The contractor shall maintain a record of each family's fee assessment, the effective date(s) of each fee increase or decrease, the dates and amounts of fees collected and any amounts, which are delinquent. The contractor shall explain to the parent(s) the contractor's policies regarding fee assessment and collection and the possible consequences for delinquent payment of fees.

B. Co-Payments

If a parent chooses a provider with a usual and customary rate exceeding the applicable regional market rate ceiling established by statute ~~1.5 standard deviations above the mean market rate~~ for the type of care provided, the parent may receive services from that provider only if the parent pays the difference between the regional market rate ~~1.5 standard deviations~~ and the provider's rate. The co-payment shall be paid directly by the parent to the provider and shall not be accounted for by the contractor.

Section VII, Information on Contractor Policies (p.36) shall be amended as follows:

The contractor shall develop and implement a written policy statement which shall include information regarding:

- A. A description of the program's purpose, design, and organization framework
- B. Priorities for enrollment
- C. Family eligibility requirements
- D. Conditions for participation
- E. Reimbursement of providers not to exceed the applicable regional market rate ~~which shall include a limitation of 1.5 standard deviations from the mean market rate~~ for the type of care provided
- F. Requirements for provider participation
- G. Range of services available including limitations, if any, on payment for in-home and other exempt care and licensed care
- H. Parent fee collection policy and procedures including direct payment of fees to the provider, if allowable

In order to ensure that the payment an in-home provider receives is equivalent to minimum wage, contractors may establish a policy requiring a minimum number of children in care before in-home service can be provided.